

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7569

BILL NUMBER: HB 1981

NOTE PREPARED: Jan 13, 2003

BILL AMENDED:

SUBJECT: Health benefit plans; tax credit.

FIRST AUTHOR: Rep. Orentlicher

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Pending

Summary of Legislation: Provides a credit against state tax liability for a taxpayer that makes health insurance available to the taxpayer's employees through a cafeteria plan. Provides that the credit equals the lesser of: (1) \$500; or (2) the result of \$200 plus \$10 multiplied by the number of employees exceeding 20. Requires an employer with at least 25 full-time employees to offer at least one health benefit plan. Requires an employer to allow an employee: (1) to choose whether to participate in the plan; and (2) to pay the employee's cost of the plan through payroll deduction. Permits an employer to pay or reimburse all or a part of the employee's cost to participate in the plan on an equal basis.

Effective Date: July 1, 2003; January 1, 2004.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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